

COMPACT GOAL

The Compact aims to revitalize Malawi's power sector by upgrading electricity infrastructure and improving the performance of key institutions responsible for the electrical power sector. The project is intended to reduce outages and system losses, improve efficiency of hydropower generation, improve service delivery to electricity consumers, and create an enabling environment for private sector investment and expansion of electrification. The Compact is expected to reduce energy costs to enterprises and households and enhance productivity and employment opportunities in key economic sectors.

COMPACT AT A GLANCE

Compact Signed	04-07-2011
Compact Total	\$350,700,000
Estimated Program Beneficiaries	5,900,000
Estimated Increase in Household Income	\$2,241,000,000

% OF TOTAL COMPACT*	BUDGET (USD MILLIONS)
81%	Infrastructure Development \$283.0
7%	Power Sector Reform \$25.7
9%	Program Administration \$33.0
3%	Monitoring & Eval. and Gender Integration \$9.0



■ Project Preparation ■ Project Implementation

Infrastructure Development

Project Cost: \$283,000,000

This project focuses on the rehabilitation, upgrade and modernization of priority Electricity Supply Corporation of Malawi (ESCOM) generation, transmission and distribution assets. It also seeks to mitigate the negative impact of weed infestation and excessive siltation in the Shire River on power plant operations.

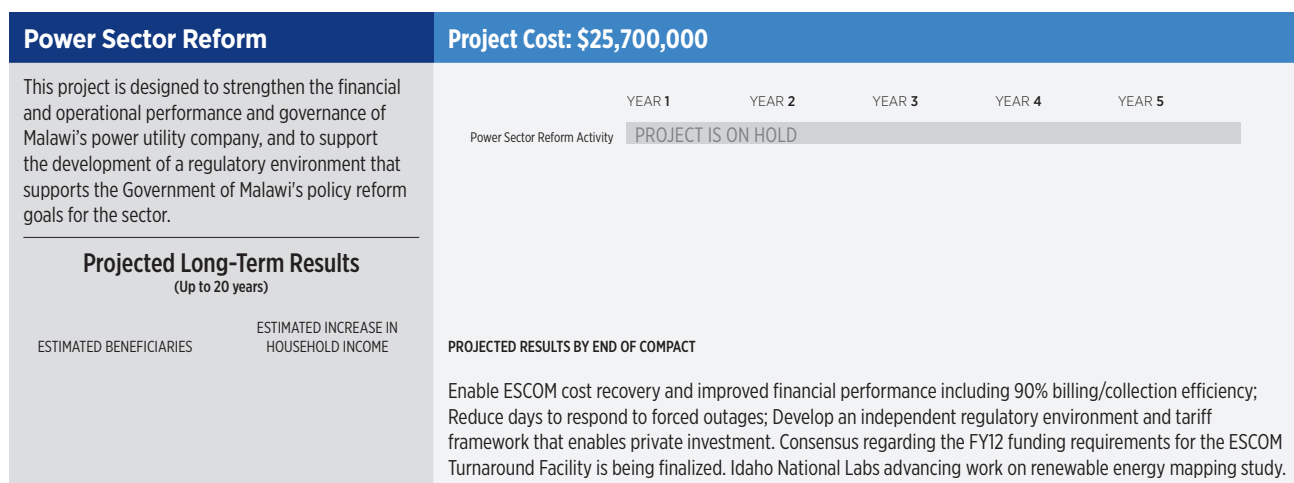
Projected Long-Term Results (Up to 20 years)

ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME
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	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Infrastructure Development Activity	PROJECT IS ON HOLD				

PROJECTED RESULTS BY END OF COMPACT

Increase the quantity of electricity billed to 1.8 million MWh; reduce outages and load shedding; reduce system losses to 17.5%; improve electricity quality; Increase substation MVA capacity by 210 MVA; increase plant availability and MW capacity.



Due to its concerns over recent public events that call into question the Government of Malawi's (GOM) commitment to good governance, human rights, and the rule of law, MCC has placed an operational hold on all program operations in Malawi. The operational hold has put a halt to all ongoing Compact operations. MCC continues to review the future of the Compact in light of GOM's response to concerns raised about Malawi's current governance and economic management situation.

*The remaining percentage of the total compact budget is for both compact administration and monitoring and evaluation.

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